



AF Global Limited

Company Registration No.197301118N
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF ALL THE ISSUED AND PAID-UP SHARES IN THE CAPITAL OF AF GLOBAL LIMITED (OTHER THAN THE EXCLUDED SHARES) BY WAY OF A SCHEME OF ARRANGEMENT

RESPONSES TO QUERIES ON THE IFA LETTER

Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as set out in the revised scheme document dated 23 February 2026 issued and despatched by the Company on 23 February 2026 (the “Revised Scheme Document”).

NO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED

The Board of Directors of AF Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform that as of 10.30 a.m. on Monday, 2 March 2026 (being the submission deadline as stated in the Notice of Scheme Meeting and the Revised Scheme Document), the Company did not receive any substantial and relevant questions from Scheme Shareholders regarding the Scheme Resolution to be tabled for approval at the Scheme Meeting which will be held at 10.30 a.m. on Tuesday, 10 March 2026.

In the event that the Company receives any substantial and relevant questions from Scheme Shareholders prior to the Scheme Meeting, the Company will address them at the Scheme Meeting.

QUERIES ON THE IFA LETTER

The Company would also like to inform that Xandar Capital Pte. Ltd. (the “**IFA**”), the independent financial adviser appointed to advise the Non-Conflicted Directors on the terms of the Scheme, received feedback on certain financial matters (the “**Relevant Matters**”) in relation to the IFA’s calculation of the revalued net asset value (the “**RNAV**”) of the Group for the purposes of its opinion as set out in the letter from the IFA to the Non-Conflicted Directors appended as Appendix B to the Revised Scheme Document (the “**IFA Letter**”).

The Company wishes to announce the details of the Relevant Matters and the IFA’s responses to the Relevant Matters (the “**IFA Responses**”) for Shareholders’ information.

THE IFA RESPONSES

The Company understands from the IFA that the following points were highlighted together with the IFA Responses:

- (i) the IFA had already considered and evaluated the Relevant Matters during the preparation of the IFA Letter dated 23 February 2026;
- (ii) the IFA has used its professional judgement and experience to apply corporate finance concepts to assess that the Relevant Matters should not be factored into the RNAV calculations; and
- (iii) in the hypothetical scenario that it is appropriate to account for Relevant Matters, they would not have a material effect on the RNAV.

Details of the Relevant Matters and the IFA Responses are set out in the table below.

Relevant Matters : The IFA did not take into account certain adjustments when determining the RNAV, such as the revaluation surplus of approximately S\$105,000 on the Aspial MTN due in July 2027 (page B-47 of the Revised Scheme Document), a net revaluation gain of approximately S\$599,000 on the properties (page B-42 of the Revised Scheme Document). This means the RNAV may be understated.

IFA Response on treatment of Aspial MTN maturing July 2027

- The revaluation surplus arises solely from the market price of the Aspial MTN (as defined on pg B-47 of the Revised Scheme Document) as at the Latest Practicable Date which was then at 1.9% premium to the face value of the Aspial MTN held by the Company. The Company will not receive the surplus of S\$105,000 when the Aspial MTN matures. Further, as the Aspial MTN are wholesale bonds which are only traded over-the-counter (“OTC”), the IFA was unable to determine the liquidity of the Aspial MTN based on information found on the SGX website or Bloomberg. The IFA enquired and understands that the Company intends to hold the Aspial MTN to maturity. The IFA is not able to ascertain the viability of the Company selling all or any of its Aspial MTN at 1.9% premium to the face value, whether in the OTC market or other means.
- At maturity, the Company will receive the principal of S\$5.5 million, not the principal and surplus based on current market price of the Aspial MTN. Including the S\$105,000 surplus based on an illiquid market price and assuming the Company will sell the Aspial MTN (which is contrary to the Company’s intention) would overstate the RNAV.
- For illustration only, assuming that the Company is able to sell its entire S\$5.5 million Aspial MTN at the market price as at the Latest Practicable Date, the Company will not receive the S\$105,000 surplus. The Company will need to pay various transactional expenses including but not limited to brokerage commission, SGX clearing fees, SGX Access Fee, SGX contract fee and GST on services. On a per-share basis, even when the above-mentioned fees and expenses have not been deducted from the hypothetical surplus, the hypothetical gain will be less than S\$0.0001 per Share, which is immaterial to the assessed RNAV range of S\$0.1227 to S\$0.1303 per Share.

IFA Response in respect of Vietnam and Laos properties

- This S\$599,000 hypothetical gain is primarily attributable to unrealised foreign exchange fluctuations, which have historically been volatile with no discernible upward or downward trend.
- The S\$599,000 revaluation gain represents approximately 6.9% of the NAV of these two properties. As mentioned in the IFA Letter, Vietnam Dong fluctuated at a bandwidth of more than 6% in FY2024 while Laotian Kip fluctuated at a bandwidth of around 10% in FY2024.
- Incorporating this hypothetical gain into RNAV would assume that the exchange rates prevailing at the Latest Practicable Date will be maintained until eventual realisation. Such an assumption introduces forward-looking elements into what is intended to be a prudently determined net asset value and may overstate RNAV.
- In addition, foreign exchange movements affect both foreign-denominated assets and foreign-denominated liabilities. While a weakening SGD increases the translated value of foreign assets, it correspondingly increases the translated value of foreign liabilities. Under SFRS, the net effect of such translation adjustments is generally recognised in other comprehensive income and will be credited or debited to the foreign currency translation reserve within equity. These adjustments reflect translation movements rather than realised gains.
- For illustration only, assuming the exchange rate prevailing at the Latest Practicable Date is sustained until disposal, on a per-share basis, the gross gain amounts to approximately S\$0.00057 per Share, which is immaterial to the assessed RNAV range of S\$0.1227 to S\$0.1303 per Share. This figure does not take into account the corresponding translation impact on foreign currency liabilities.

Relevant Matters : The IFA did not take into account unrealised foreign exchange gain or loss based on foreign exchange rates from FY2024 (page B-42 of the Revised Scheme Document). The Thai Baht has significantly appreciated since 2024 and it is material because the Group's remaining biggest asset is denominated in Thai Baht.

Furthermore, the Company has also stated that it has no intention to dispose of its interest in its remaining main asset, Holiday Inn Resort Phuket. Despite this, a tax liability of S\$23.2 million has been provided in the Group's financial statement even though the Company has no intention of disposing the asset.

IFA Response in respect of treatment of Holiday Inn Resort Phuket

- The IFA's approach consistently assumes that the Group does not intend to dispose of Holiday Inn Resort Phuket, as confirmed by the Company.
- Unrealised foreign exchange gains on this asset are therefore theoretical and excluded from RNAV, as they do not constitute an actual economic gain.
- Foreign exchange movements are inherently volatile and subject to macroeconomic, monetary and geopolitical factors beyond the Company's control. While the Thai Baht may have appreciated relative to FY2024 levels, there is no certainty that such appreciation will be sustained. There is no assurance that the exchange rate at the Latest Practicable Date will be maintained until the Group completes any disposal. Similarly, while the strengthening Thai Baht increases the translated value of the Group's assets in Thailand, it also correspondingly increases the translated value of liabilities denominated in Thai Baht. Accordingly, excluding unrealised foreign exchange gains is consistent with the IFA's approach.
- The deferred tax liability of S\$23.2 million recorded in the Group's audited financial statements have been recognised in accordance with applicable accounting standards since the implementation of the relevant deferred tax accounting requirements, and have been consistently applied for more than 10 years and audited by independent auditors.
- Under the accounting standards, when the Company recognises revaluation surpluses, the Company has to provide for corresponding deferred tax liabilities on the revaluation surplus to avoid overstating the NAV of the Group at the end of the reporting period. This requirement applies regardless of whether there is any intention to dispose of the asset. The obligation exists because the asset carries embedded taxable gains that would crystallise upon realisation.
- For completeness, on page B-44 and B-49 of the Revised Scheme Document, the IFA Letter referred to an additional S\$7.9 million of tax exposure in the event the Company disposes the Holiday Inn Resort Phuket. To clarify, these amounts are not required under the accounting standards to be recognised as liabilities in the audited financial statements as these are additional tax liabilities which will only crystallise at disposal. As no disposal has been committed to, such amounts do not constitute present obligations under applicable accounting standards and are therefore not recognised as liabilities in the audited financial statements. Accordingly, the P/RNAV ratios applied for comparison purposes did not include the S\$7.9 million additional potential tax liabilities.

Relevant Matters : Regarding the revaluation surplus on the Aspiat MTN, the IFA agreed with the Company that the Aspiat MTNs will be held till its maturity in July 2027 and thus it is not meaningful to adjust the RNAV. Without the proposed Scheme, shareholders will benefit from the full amount when the Aspiat MTN matures in July 2027. It is therefore incorrect for the IFA to exclude the surplus from the RNAV calculation because the amount will only be repaid in the future. More importantly, the reason that the hotel will not be disposed of in the foreseeable future is the basis of excluding adjustments to unrealised foreign exchange but yet the RNAV calculations did not exclude the S\$23.2 million in potential tax liabilities on disposal of the same asset. This means that the RNAV may be understated.

IFA's conclusion

As explained above, the IFA has duly considered the various matters raised, and arrived at the RNAV range taking into account the relevant accounting standards and having considered all relevant factors, including the uncertainty in future developments like foreign exchange rates. In any case, the matters raised will not

have any material impact on the IFA's views, as illustrated in the hypothetical scenarios above where the IFA takes into account the items highlighted in the Relevant Matters.

The IFA understands the concerns of the shareholder and appreciate the shareholder's time and effort in analysing the details. Nonetheless the IFA stands by their professional judgement and assessment and the matters raised do not impact the IFA's conclusion of their assessment of the Scheme.

RESPONSIBILITY STATEMENT

The Directors of the Company (including any who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement which relate to the Company (excluding information relating to the Offeror and/or the IFA or any opinion expressed by the Offeror) are fair and accurate and that there are no other material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading. The Directors jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror and/or the IFA, the sole responsibility of the Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The Directors do not accept any responsibility for any information relating to the Offeror and/or the IFA or any opinion expressed by the Offeror and/or the IFA.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

4 March 2026